Fujitsu Way

The Core Elements of the Fujitsu Way

The Fujitsu Group established the Fujitsu Way in 2002 as a principle for the conduct of its people. In response to changes in society and the business environment, the company revised the philosophy in 2008 to further instill awareness in its people working around the globe.

With the world becoming more closely interconnected, fast-changing and uncertain, and with various threats to global sustainability emerging, the Fujitsu Group renewed the Fujitsu Way in 2020. The goal was to use technology to deliver value for customers and contribute proactively to the transformation of society. Accordingly, we set out Our Purpose, which is "to make the world more sustainable by building trust in society through innovation".

The Fujitsu Way comprises three parts:

- Our Purpose : Why Fujitsu exists in society
- Our Values : The important sense of value each person should have
- Code of Conduct : What we should comply

Our Values represent an action cycle consisting of Aspiration, Trust and Empathy, which is necessary to achieve Our Purpose. As members of society, our employees will comply with the Code of Conduct.

We aim to achieve Our Purpose by engaging in corporate activities that are based on the Fujitsu Way and that underpin the actions of each person in the Group.

Click below for further details.

> [Fujitsu Way](#)

> [Transforming Our Corporate Culture](#)
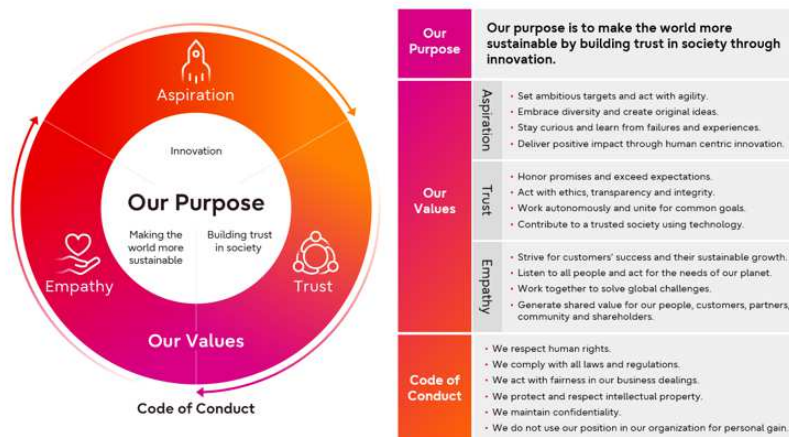
The Structure of Fujitsu Way

Transforming Our Corporate Culture

The Fujitsu Way

We have established the Fujitsu Way, a set of principles for all employees to observe based on Our Purpose, which indicates the reason for Fujitsu's existence in society. All Fujitsu employees work to achieve Our Purpose in their daily activities, while keeping in mind Our Values (Aspiration, Trust, and Empathy) and the Code of Conduct as they deliver value to customers and society.
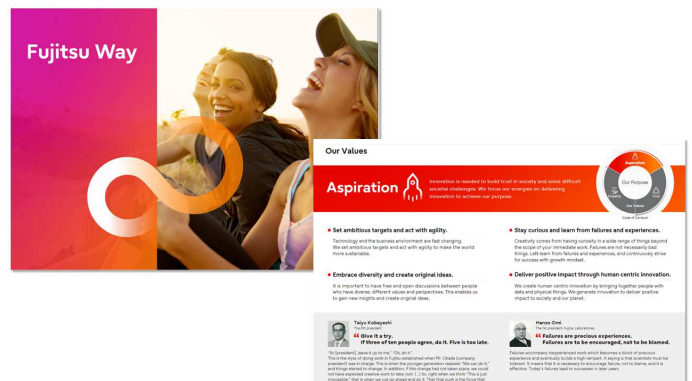
> Fujitsu Way

> Our Story

Our Purpose

Activities to Promote the Fujitsu Way

In-house Communication Initiatives

Fujitsu has been deploying in-house communication initiatives to boost the degree of empathy with the Fujitsu Way.

To promote the Fujitsu Way globally, we have appointed Fujitsu Way promotion leaders as part of the corporate governance structure. These individuals are responsible for promoting the Fujitsu Way on the front lines, and they participate in regular Fujitsu Way Meetings with the CEO as a way of spurring motivation.

Sample pages from the Fujitsu Way booklet

We have also produced a Fujitsu Way booklet and shared it with employees worldwide to ensure that each and every Fujitsu employee understands the Fujitsu Way and makes it their own. The booklet incorporates management's thinking on ways to implement change in Fujitsu. It also includes the words of former CEOs and other pioneers plus the background to their messages, which today form the company's DNA, embedded in the Fujitsu Way. We will continue to communicate the Fujitsu Way through workshops and videos, to ensure that all employees engage in the Fujitsu Way and work toward achieving Our Purpose.

Broadening the Message through Purpose Carving®

In 2020, with the need to coalesce the ideas of each and every employee to generate greater synergy and achieve Our Purpose, we started rolling out the Purpose Carving® program(*1), an initiative to shape and inform each individual's own purpose (My Purpose).

Purpose Carving® is an interactive program that enables participants to reflect on their personal journeys and values, carving out their own purpose as they contemplate the future. With 70,000 employees worldwide having completed the program as of July 2023, the overlaying of their purposes on Fujitsu's corporate Purpose

provides the driving force for transformation. Fujitsu also initiated Purpose Reflections, a program in which participants reflect on the overlap between their daily work and My Purpose, engaging in growth and relationship-building initiatives which are driven by My Purpose and supported by materials and applications.

In 2021, as part of the Purpose Carving® program, we launched a program of live-streamed events titled 'Fujitra Radio with Leaders'. This enabled employees to watch interviews with Fujitsu's executive leaders, who shared their insights into their individual purposes and thoughts on transformation. A total of 38 executives took turns participating in this weekly program, attracting an overall audience of 56,500. Through such promotional activities, Fujitsu aims to generate individual and organizational behavior transformation by helping employees to discover their own purpose and by reconciling everyone's own purpose with Fujitsu's Purpose.

Illustration of executives who participated in 'Fujitra Radio with Leaders'

*1 Purpose Carving® was selected as the winner of the Excellence Award in the Corporate HR category of HR Award 2022 (sponsored by the HR Award Steering Committee and supported by the Ministry of Health, Labour and Welfare).

Sustainability Contribution Awards

The Sustainability Contribution Awards program is an in-house program established to help achieve Fujitsu's Purpose. To create the type of sustainable society that Fujitsu envisions, the entire organization - individuals and the company - must innovate and generate new value based on Our Purpose and business direction. Therefore, the Sustainability Contribution Awards are designed to not only recognize Outputs to Society, but to also include awards for Organizational Cultural Change that brings meaningful transformation to the way things have traditionally been done. General Judges recruited from within the Fujitsu Group, Fujitsu Way promotion leaders, and the CSuO(*2) serve as judges; they base their decisions on the extent to which the entries embody the values and purpose reflected in the Fujitsu Way and on the various elements of Global Responsible Business (GRB).

In FY2023, a total of 222 applications were received from Fujitsu Group companies worldwide, resulting in the presentation of one Grand Prize and five Excellence Awards. Overviews of the winning projects are listed below.

*2 Chief Sustainability Officer

Grand Prize Winner

- Rapid discovery of unknown causes and effects related to cancer drug resistance using Fugaku
  In collaboration with Tokyo Medical and Dental University, we developed a technology to discover, from among more than 1,000 trillion different possibilities, the previously unknown causal factors that characterize a patient in whom a drug is expected to be effective. Fugaku was used to implement the newly developed AI technology for scientific discovery, intended to make it possible to discover new causal relationships. This technology is expected to be utilized to facilitate the discovery of effective, personalized anticancer drugs.

Excellence Award Projects

- Driving carbon neutrality across industries in a mobility society
  To achieve a carbon-neutral mobility society in the last mile and in regional transportation, this project contributes to a reduction in emissions by supporting vehicle electrification and the use of renewable energy to improve the operational and energy efficiency of EVs for fleet operators (e.g., logistics, cabs, buses, and regional transportation) and local governments.
- Success in halving the search period for clean ammonia synthesis catalyst candidates
  In a joint research project with Atmonia, a venture company that develops methods of ammonia synthesis designed to reduce CO_2 emissions, a new quantum chemical simulation method was developed and

combined with Fujitsu's AI causal discovery technology to successfully halve the time required to search for ammonia catalyst materials.

- Promoting resource recycling by making recycled materials valuable to the environment
This project is a collaboration with Teijin Limited to build and apply a platform to the market to drive the use of recycled materials and the implementation of environmentally sensitive design, utilizing Teijin's carbon fiber and aramid fiber recycling initiatives and Fujitsu's blockchain technology.
- Design thinking practices for mindset and culture reform
Over the course of a year, 704 employees contributed to solving social and customer issues by participating in a total of 308 sessions to practice and apply design thinking to their work by asking and solving their own questions based on their feelings of empathy with the issues.

One other case

Value Creation Model

Fujitsu's Value Creation Model to Achieve its Purpose

Focused on Societal Challenges Fujitsu is Purpose-Driven to Provide Value to Society

Fujitsu aims to realize its Purpose, which is "to make the world more sustainable by building trust in society through innovation", and thereby create new value while helping to build a better future for customers and for society.

Reflecting the newly established materiality, our vision for 2030 is to be "a technology company that realizes net positive(*1) through digital services".

Our value creation model is based on capital inputs and business activities that aim to create a sustainable society by focusing on key strategies for Fujitsu and to develop the priority issues for sustainability management under the Global Responsible Business (GRB) framework. The outputs derived from these initiatives are positioned as financial and non-financial indicators, and the resulting outcomes provide value to society.

We will continue to invest as inputs the various outputs and outcomes generated through these activities, while also working to enhance the value delivered to a range of stakeholders.

*1 Fujitsu defines net positive as follows: "In addition to maximizing financial returns, we are committed to solving global environmental problems, developing a digital society, and improving people's well-being. Technology and innovation will have a positive impact on society as a whole."

❯ Fujitsu Uvance

❯ Sustainability Management in the Fujitsu Group: Fujitsu Global
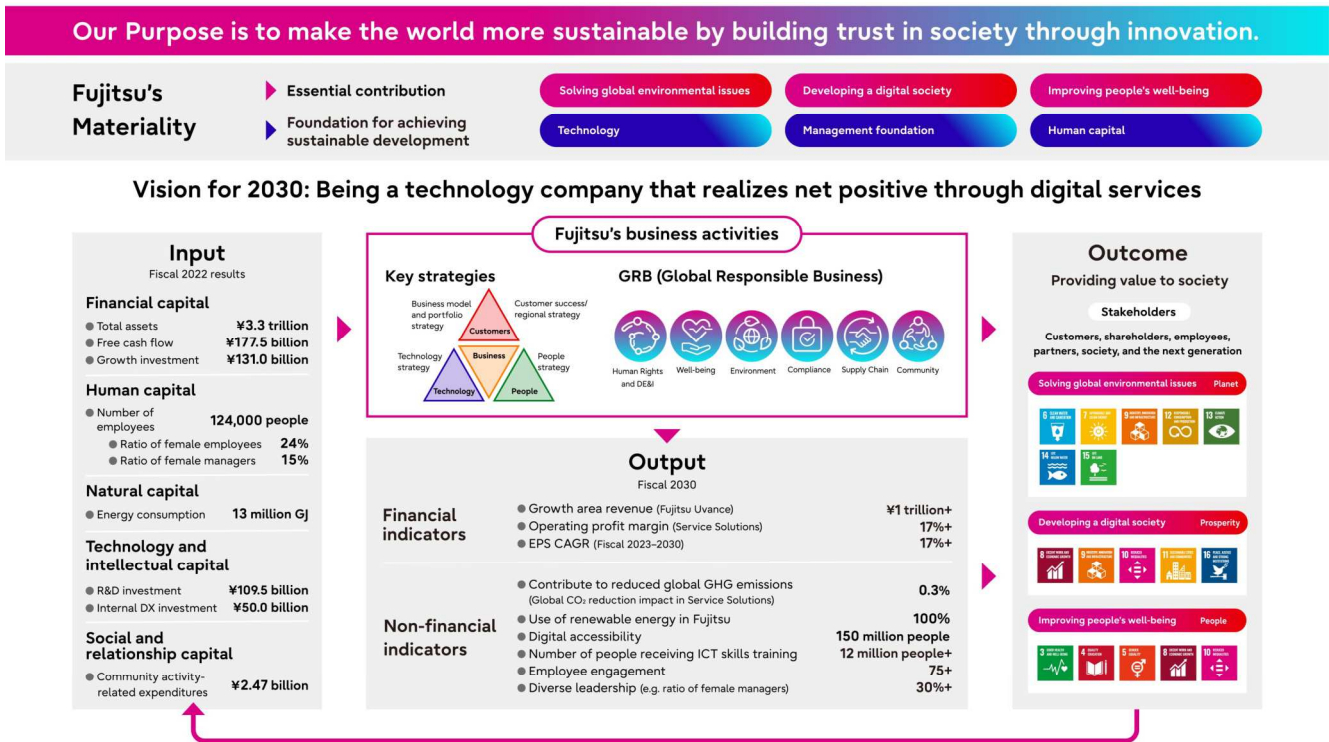
Value Creation Model

Materiality

Materiality in the Fujitsu Group

The Fujitsu Group revised its approach to Materiality in 2023. We specified Materiality in 2018 under the Basic CSR Policy but have now updated it to encompass Materiality in Management, which incorporates the perspective of delivering value to customers and society through our business activities.
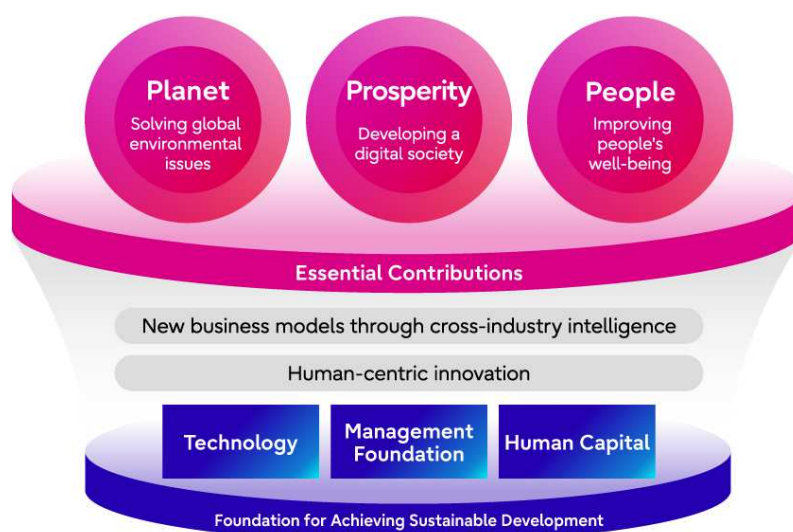
Looking toward 2030, we conducted medium- to long-term evaluations from the perspectives of Fujitsu itself and its stakeholders, and we identified priority issues to be resolved on the path to sustainable growth. These fall under two categories (Essential Contributions and Foundation for Achieving Sustainable Development). In the first category of Essential Contributions, we will leverage the development of Fujitsu Uvance and other businesses to provide customers and society with value that contributes to solving global environmental issues, developing a digital society, and improving people's well-being. Furthermore, we will strengthen our technology, management foundation, and human capital to create the Foundation for Achieving Sustainable Development as the source of value creation for the Fujitsu Group, while supporting the creation of new business models and spurring innovation.

The results of this revised approach to Materiality are being applied to risk management throughout Fujitsu. In the potential risk assessment conducted throughout the Fujitsu Group, issues identified through Materiality assessment are reported as key risks, and "climate change", "human resources and human rights" and "information security" are identified as "main business risks".

And Materiality-related initiatives are recommended as a goal-setting item in the "Executive Performance Management" evaluation system for executives at FUJITSU VP-level and above. The non-financial indicators based on Materiality are being progressively linked to the evaluation indicators for executive remuneration (Executive Director bonuses).

Going forward, we will continue to promote company-wide initiatives related to Materiality, reduce and avoid critical management risks, and maximize business opportunities. In this way, we aim to enhance the corporate value of the Fujitsu Group and contribute to achieving net positives in the areas of environmental issues, digital society, and people's well-being.

Materiality

Essential Contributions (3 global imperatives, with 11 issues where we will contribute in)

Planet: **Solving global environmental issues**	**Prosperity:** **Developing a digital society**	**People:** **Improving people's well-being**
Contribute to creating a future earth where both people and nature can thrive	Contribute to creating a trusted digital society where global prosperity and stability are compatible	Contribute to improving quality of life and opportunities across society to support the well-being of peopl
Climate change (Carbon neutral)	Maintaining security of information	Contributing to healthcare for an improved quality of life
Resource circulation (Circular economy)	Eliminating the digital divide	Promoting lifelong education and reskilling
Living in harmony with nature (Protection and restoration of biodiversity)	Leading ethical AI and IT	Improving customer/consumer experience
	Ensuring a positive work environment and addressing labor shortages	
	Assuring responsible supply chains	

Foundation for Achieving Sustainable Development (7 issues)

Technology	**Management Foundation**	**Human Capital**
Innovating cutting-edge digital technologies which co-create new opportunities to transform to a sustainable society	Data-driven management that pre-empts and flexibly responds to the business environment with highly efficient, rapid decision making	Creating innovation everywhere in society by bringing together agile and versatile people from inside & outside the Company
Creating and developing cutting-edge innovative technologies	Governance and compliance	DE&I
	Risk management	Well-being and Human resource development
	Economic security management	
	Digital transformation	

Materiality Assessment Process

The Fujitsu Group identified Materiality based on the principles of double materiality, whereby the mutual impacts of corporations and the environment and society are taken into account (i.e. both the financial impact of environmental and social issues on Fujitsu and the impact of Fujitsu business activities on the environment and society). Going forward, we will conduct periodic reviews on an annual basis and revise as necessary.

Step1 Organize and Identify Social Issues

- Create a long list of various social issues (163 issues) that will flow from the future megatrends anticipated for 2030 based on the following:
  - ➢ SDGs
  - ➢ Evaluations of ESG indices (FTSE, MSCI and DJSI)
  - ➢ ESG reporting framework (GRI Standards, SASB Standards)
  - ➢ World Economic Forum (WEF) Global Risk Reports
  - ➢ Responsible Business Alliance (RBA) Code of Conduct
  - ➢ World Business Council for Sustainable Development (WBSCD), Global Enabling Sustainability Initiative (GeSI) documentation
- Identify 40 social issues by integrating similar items and deleting items with minimal business relevance
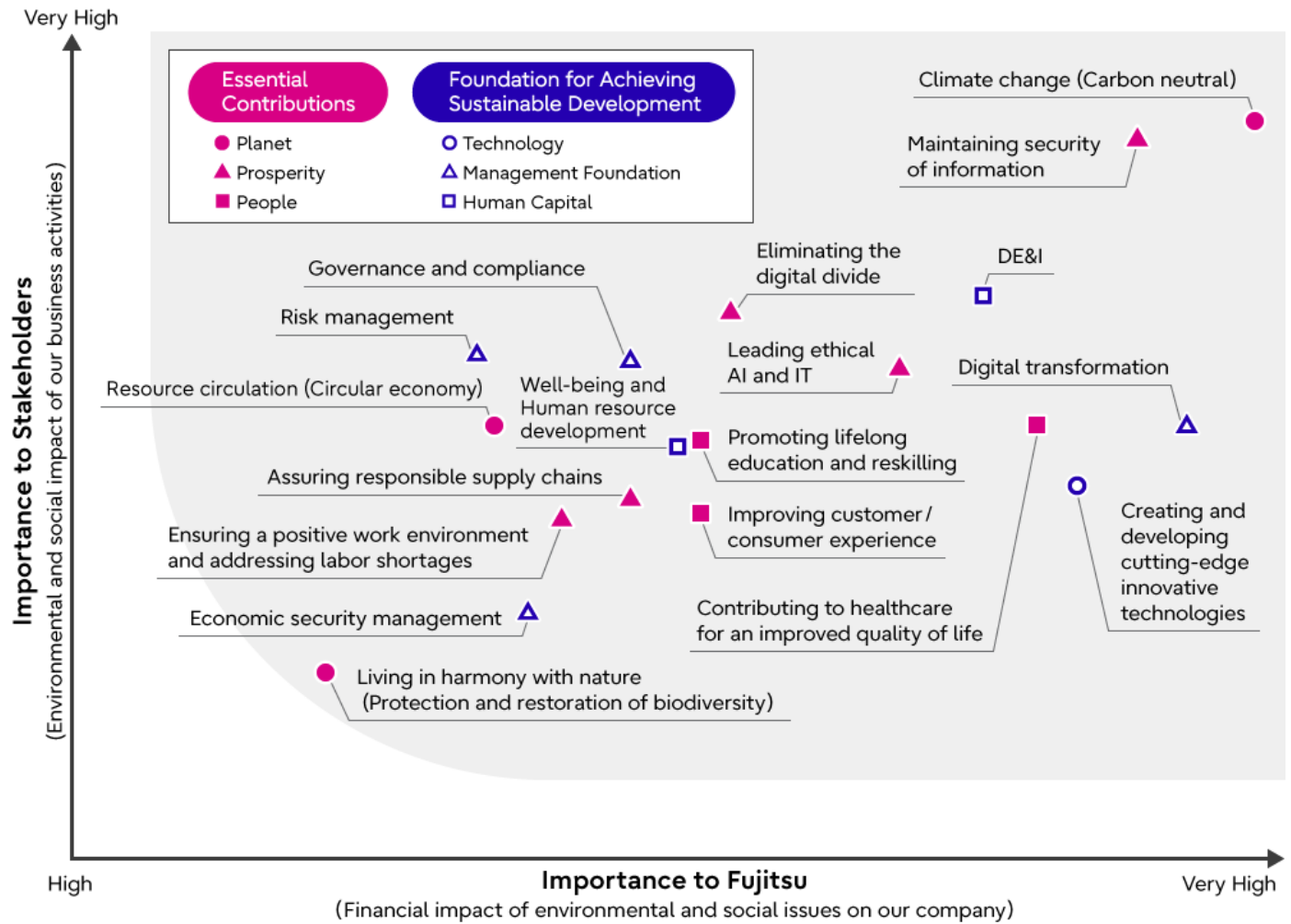
Step2 Prioritization

- Conduct surveys, interviews and desktop research with a wide range of internal and external stakeholders based on the identified social issues. In anticipation of future circumstances in 2030, create a draft materiality matrix that prioritizes 25 social issues in terms of the risks and opportunities those issues present. The draft materiality matrix is created by conducting comprehensive assessments and assigning scores to issues from the perspectives of their importance to Fujitsu (financial impact of the environmental and social issues on Fujitsu) and their importance to stakeholders (environmental and social impact of Fujitsu business activities).
- Through personal interviews and meetings of the Sustainability Management Committee, conduct assessments and discuss the validation of the draft materiality matrix in terms of Fujitsu's distinctiveness (affinity with the Fujitsu brand), and determine the final materiality matrix (18 issues). (This process entails assessments and discussions by Executive Directors and other executives together with reviews by non-executive directors and the Audit & Supervisory Board Members.)
- Organize the materiality concept and then classify and arrange the 18 issues into 2 categories and 6 areas.

Fujitsu and Stakeholder Assessment

	Assessment method		Details
Fujitsu	Surveys, interviews	Executives	Survey and/or interview a total of 43 executives, including the Sustainability Management Committee, Executive Directors, and other executives.
		Fujitsu Way promotion leaders	Survey all 123 Fujitsu Way promotion leaders.
	Desktop research		Use internal and external data to quantitatively and qualitatively evaluate the extent of the impact of social issues in terms of sales, costs, reputation, compliance and consistency with business strategy.
Stakeholders	Surveys, interviews	Employees	Select employees in each of the company-wide (global) divisions at random and survey 3,284 employees in total.
		Market (customers and suppliers) *1	Survey and/or interview company management and middle management working in Fujitsu customer and supplier industries globally (9 countries, 14 industries)
		Investors	Survey and/or interview Fujitsu capital markets participants.
	Desktop research		Quantitatively and qualitatively assess importance from the perspective of stakeholders based on the survey forms used by representative ESG rating agencies and various other external documents and reports.

*1 A commissioned study conducted by Forrester Consulting on behalf of Fujitsu, August 2022

Materiality Matrix

Very High

Importance to Stakeholders
(Environmental and social impact of our business activities)

Essential Contributions
- ● Planet
- ▲ Prosperity
- ■ People

Foundation for Achieving Sustainable Development
- ○ Technology
- △ Management Foundation
- □ Human Capital

Climate change (Carbon neutral)

Maintaining security of information

Governance and compliance

Risk management

Eliminating the digital divide

DE&I

Resource circulation (Circular economy)

Well-being and Human resource development

Leading ethical AI and IT

Digital transformation

Assuring responsible supply chains

Promoting lifelong education and reskilling

Ensuring a positive work environment and addressing labor shortages

Improving customer / consumer experience

Creating and developing cutting-edge innovative technologies

Economic security management

Contributing to healthcare for an improved quality of life

Living in harmony with nature (Protection and restoration of biodiversity)

High

Importance to Fujitsu
(Financial impact of environmental and social issues on our company)

Very High

Step3 Management Approval

- Through the Sustainability Management Committee, discuss and approve materiality and the direction for promoting company-wide initiatives. Materiality as included in the Medium-Term Management Plan is then discussed and approved by the Board of Directors.

Step4 Review

- Review and discuss annually based on changes in the internal and external environment.
- Where necessary, undertake revisions through Steps 1-3.

Approach to Materiality

Taking into account the risks and opportunities posed by materiality, we have discussed our approach for FY2025. Fujitsu will implement measures to address risks, focusing on our internal initiatives, while addressing opportunities by expanding Fujitsu Uvance and other businesses to solve social issues and provide value to customers and society. Moving forward with this approach to materiality will hasten reductions in the negative impacts while promoting greater positive impacts, leading to net positive outcomes for Fujitsu businesses and society.

Planet: Solving global environmental issues -- Contribute to creating a future earth where both people and nature can thrive

FY2025 targets
- Scope 1, 2 GHG emissions: 50% reduction (on FY2020 levels)
- Scope 3 GHG emissions (Category 11): 12.5% reduction (on FY2020 levels)

Please also refer to our other environmental targets

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)
Climate change (Carbon neutral)	**Risks** • Higher costs of coping with more stringent energy savings and GHG emissions regulations • Higher operating costs due to the increasing severity of natural disasters	**Internal initiatives** • Reduce GHG emissions at business sites (promote energy savings and increase renewable energy use) • Promote energy-saving product design and reduce GHG emissions in the supply chain
	Opportunities • Increased demand for the adoption of renewable energy, energy savings and visualization of GHG emissions, including in supply chains • Increased demand for mitigation measures that offer society-wide energy optimization to reduce GHG emissions and for adaptation measures that build resilient communities and industries	**Business growth for customers and society** • Visualize/reduce GHG emissions in the supply chain • Visualize energy usage at factories and other facilities (automate primary data collection) • Identify a broad spectrum of supply chain risks, including disasters, pandemics, and international political risks • Develop and make effective use of new energy sources and materials, such as clean ammonia, and improve traceability • Optimize and integrate natural energy into social infrastructure systems • Enhance resilience against emergencies in cities • More accurate weather forecasts and disaster prevention simulations
Resource circulation (Circular economy)	**Risks** • Increased costs for operations and for handling the reputational risk arising from resource constraints resulting from resource depletion and escalating conflicts over scarce resources resulting from resource maldistribution	**Internal initiatives** • Reduce water usage at business facilities and raise awareness of water source security upstream of the supply chain • Promote greater resource savings in products and improved resource circulation • Get involved in activities to standardize business models and circular economy indicators, and measure social impacts
	Opportunities • Increased demand for support to create a circular (recycling-based) society by building economic mechanisms that will sustainably recycle resources and promote zero waste and the effective use of resources	**Business growth for customers and society** • Reduce losses and enhance traceability through the use of blockchain • Promote the effective use of materials through the visualization of product quality, etc. • Enhance resource traceability with the aim of creating environmental value through recycling • Establish recycling schemes and assure a stable supply of recycled resources though business-to-business data sharing
	Risks • Amid increasingly strict controls on land use and	**Internal initiatives**

Living in harmony with nature (Protection and restoration of biodiversity)	information disclosure, there is increased reputational risk and the risk of difficulty in raising capital due to delays in addressing biodiversity	• Reduce negative impacts and increase positive impacts on biodiversity in areas of business activities, including the supply chain
	Opportunities • Increased demand for assessing, visualizing, monitoring, and reducing impact on the environment and biodiversity, and urban development that co-exists with nature	Business growth for customers and society • In business activities that take biodiversity into account, use business planning simulations to visualize environment conservation and impact severity • Protect water and forestry resources and limit excessive consumption by developing new materials and adopting new production methods

Business Impacts

- Promoting activities that minimize environmental impacts in our areas of business activity, including the supply chain (reducing GHG emissions, saving and recycling resources, protecting biodiversity) can help to reduce or avoid risks such as reputational damage and excessively strict regulatory controls
- With the transition to a more environmentally friendly society, there is increasing demand for minimization of the environmental impacts on each industry's entire value chain. Expanding businesses that are designed to address environmental issues and create value for the environment can lead to increased financial returns

See TCFD Information Disclosure for more information on the analysis of business impacts from climate change

Societal Impacts

- By developing solutions such as using digital technology to visualize environmental footprints and improve traceability, we can contribute to restoring biodiversity, building a circular economy and a carbon-neutral society, as well as reducing our customers' environmental impacts

Prosperity: Developing a digital society -- Contribute to creating a trusted digital society where global prosperity and stability are compatible

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)
Maintaining security of information	Risks • Amid increasingly strict regulatory regimes, risks include loss of credibility, fines and penalties for violations of laws and regulations if the rights and interests of individuals are violated or customer information is leaked due to leakage of information related to business activities	Internal initiatives • Stronger governance: Implement countermeasures more quickly and effectively by bolstering on-site security systems and active intervention by management • Stronger responses to cyber threats: Use more rigorous information management and responses, and security risk visualization that includes prediction • Stronger supply chain security: Consolidate data in secure development environments and data management environments, and develop training to achieve more mature security
	Opportunities • Increased demand for more advanced information infrastructure that is trusted and secure	Business growth for customers and society • Ensure that customer systems and businesses are trusted by providing secure Hybrid IT platforms • Provide resilient Hybrid IT platforms along with more rigorous IT and security governance for

	with the aim of providing data security at the society, corporate and individual levels	mission-critical areas such as public-sector and financial institutions • Enable security management that is capable of responding quickly to stricter and more sweeping regulations, such as the Data Protection Directive • Combine Zero Trust Security technology and other technologies to create a new high-speed, high-capacity network security technology that offers enhanced reliability and convenience
Eliminating the digital divide	Opportunities • Increased adoption of "digital democratization" whereby anyone can independently, freely and autonomously use digital technology, leading to increased demand for digital platforms that do not encourage discrimination, prejudice or hate	Business growth for customers and society • Optimization tailored to patients and the democratization of advanced healthcare • Enable more advanced decision-making and problem solving for the traceability and verification of raw materials • Promote the adoption of integration and corporate IT consulting through co-creation with financial institutions • Build broadband networks for local governments (US)
Leading ethical AI and IT	Risks • Ethical or other issues that originate from data or other input to an AI pose the risk of problems such as diminished social trust or litigation • If employees or customers lack understanding or practical experience of AI ethics, this could prevent the growth of trust in AI and risks thwarting the innovation and progress that is possible using AI	Internal initiatives • Implement initiatives aimed at disseminating AI ethics, such as providing AI ethics training to employees and customers, and formalizing the Fujitsu internal practice of AI ethics • Provide technology and ecosystems that simplify the identification of AI ethics risk by AI developers and customers themselves, and present solutions
	Opportunities • Given the enormous expectations for the development of a trusted information society, there will be increased demand for AI use that embodies appropriate AI ethics and for appropriate AI ethics practices within companies	Business growth for customers and society • Provide AI that complies with AI ethics guidelines and ensures reliability and transparency with respect to AI by providing explainable AI (Improve sustainable reliability in business by using explainable AI to predict the risk of illegality from companies' financial and non-financial data) • Provide consulting services for areas such as creating guidelines and ethical rules for the appropriate use of AI
Ensuring a positive work environment and addressing labor shortages	Opportunities • Increased demand for the creation of pleasant, safe and secure working environments intended to improve employee motivation, and for increased automation and efficiency so as to improve productivity and quality and address labor shortages	Business growth for customers and society • Provide ways to make work (production, distribution, shipping, sales, etc.) both safer and more efficient by using automation technology, AR/VR, and remote communication • Respond to changes in working environments, formulate and implement strategies by visualizing and analyzing worker feedback and working conditions, thereby improving engagement and innovating workstyles with the focus on the workers themselves • Make operations more efficient and advanced using digital technology, and plan the optimal workspace for customers' business transformation

		• Provide high-usability services by using more advanced digital touchpoints with automated technology, multilingual support, and AIOps
Assuring responsible supply chains	Risks • If problems arise in the supply chain, such as human rights violations involving conflict minerals or the working environment, or damage due to environmental destruction or climate change, these problems pose risks such as impacts on continued business activity, erosion of social trust in the company following administrative penalties, and lost business opportunities	Internal initiatives (approach to the supply chain) • Prevent and reduce human rights risks in the supply chain • Promote reduction of GHG emissions in the supply chain • Ensure supply chain diversity
	Opportunities • Increased demand for the building of platforms and the enhancement of information disclosure, optimization and visualization of supply chain management in the environmental and social areas, particularly with regard to the environment, human rights and mineral resources (procurement)	Business growth for customers and society • Provide stronger management through improved supply chain traceability • Enable detection of a broad spectrum of supply chain risks, including disasters, pandemics, and international political risks • Enable digitalization and resilience in supply chains that are shared by multiple corporations on a global scale • Enable sustainable consumption and waste product reductions through end-to-end optimization of the value chain • Offer logistics optimization and retail (OMO) management • Enable digital tracking of products along the supply chain • Enable new value creation/conversion using secure platforms that support expanded ethical purchasing

Business Impacts

• While issues such as insufficient information security measures, ethical problems associated with AI and human rights violations in supply chains can result in outcomes such as loss of trust by customers and society as well as increases in the cost of dealing with such issues, these risks can be minimized by setting up strong governance structures and introducing effective countermeasures

• Our customers and society also face the above issues, as well as problems such as a growing digital divide and worsening labor shortages. With the transition to a digital society, developing businesses aimed at resolving these issues can help to increase our financial returns

Societal Impacts

• By developing solutions such as explainable AI and secure information infrastructure, we can build trusted digital technology into society and help to build a more resilient society where more people can reap the rewards of digital technology

People: Improving people's well-being -- Contribute to improving quality of life and opportunities across society to support the well-being of people

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)
Contributing to healthcare for an improved quality of life	Opportunities • Increased demand in communities for healthcare that is integrated into daily life, such as the digitalization of medicine and preventive healthcare that uses AI and the IoT	Business growth for customers and society • Connect medical institutions with external institutions and services to enable the mutual exchange of consumers' and patients' treatment and lifestyle information • Individualize and optimize a patient's end-to-end healthcare journey, from prevention through to treatment and recuperation (effective personal healthcare)
Promoting lifelong education and reskilling	Opportunities • Increased demand for initiatives that allow people to live rich and fulfilling lives, such as the building of digital education platforms that enable people to learn freely at any time and to have their achievements evaluated appropriately	Business growth for customers and society • Provide micro-learning environments that use AI to provide personally optimized education, regardless of time or location • Enable strategic reskilling by defining the type of personnel needed to achieve DX, supporting the formulation of personnel strategy and personnel development plans, and providing education and training programs
Improving customer/consumer experience	Opportunities • Improvements in peoples' attitudes towards new consumption, new relationships and new work styles as their values become more diverse. Greater demand for personalized consumer experiences and the creation of new ways to exchange personal, corporate and social values.	Business growth for customers and society • Personalize marketing/promotions and enable new online and offline purchasing • Offer consistent, fluid, and personalized shopping experiences wherever there is contact between consumers and any type of brand channel • Provide efficient monitoring, operation, and maintenance for retail systems • Enable sophisticated promotions that target consumers by predicting their behavior

Business Impacts

• As peoples' values transition from material wealth to spiritual richness, they will demand more advanced medical treatment, healthcare, education and customer/consumer experiences. Developing human-centric business that help people to enjoy quality lives that are safe and secure can help to increase our financial returns

Societal Impacts

• By providing services that cater to people's individual healthcare needs and respond to consumption trends while providing them with the upskilling they need for their career plans, we can not only help people live longer, healthier lives, but we can also help build a society where everyone lives a full and happy life where they can maximize their own potential

Common indicators for essential contributions	FY2025 targets • Customer NPS(Net Promoter Score): +20 (against FY2022)
Common initiatives for essential contributions: Contribute to global and regional communities	• Promote ongoing participation in community activities to boost employees' level of engagement and improve their experience and perspective by helping to resolve social problems • Expand partnerships that link us to future businesses and address social issues through community investment (including people, goods, and money) in NPOs, NGOs and regional communities • Promote initiatives involving activities that make appropriate social contributions, through monitoring of impacts and the number of beneficiaries to identify the outcomes of activities

Technology: Innovating cutting-edge digital technologies which co-create new opportunities to transform to a sustainable society

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)
Creating and developing cutting-edge innovative technologies	Risks • R&D into cutting-edge technology is the wellspring of corporate growth. If technology development does not progress, it will lead to the risk of losing competitiveness • Digital innovation that supports DX/SX is essential for business transformation and a sustainable society	Internal initiatives • Quantum: Work with customers to develop apps that use quantum-HPC hybrid technology and develop world-leading error-correction technology. Develop 1,000 qubit machines and further scaling technologies • Computing: Enhance computing workload broker technology, develop frameworks that will accelerate graph AI and expand HPC into new areas such as digital twins • AI: Provide global customer value through AI platforms that feature AI technology, such as world-leading graph AI and AI trust. Strategically acquire specialists in the AI area. • Data & Security: Accelerate innovation-creation using ecosystems with world-leading Web3/Trust technology that allows the distribution and use of highly reliable distributed data maintained by companies or individuals • Converging Technologies: Establish the world's first social digital twin platform to continually improve society by enabling SX and develop initiatives that use environmental, social, and economic synergies, and then roll out solutions globally

Business Impacts

• Helping to achieve sustainable business innovation by conducting R&D into the 5 technology areas of Computing, AI, Data & Security, Converging Technologies and Networks and creating digital innovation

Societal Impacts

• Continue supporting sustainable transformation and address customer and social issues by providing comprehensive value that brings together technologies

Management Foundation: Data-driven management that pre-empts and flexibly responds to the business environment with highly efficient, rapid decision making

FY2022 targets
• DX promotion index: 3.5

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)

Governance and compliance	Risks
	• If a strong governance structure is not maintained, and disclosure and oversight of execution are not enhanced, there is a risk of undermining sound management
	• Situations that violate national or international laws or regulations risk exposure to surcharges or financial compensation, and erode public trust
		Internal initiatives
		• Corporate governance:
		  • Undertake continual reviews of corporate governance
		  • Fully disclose corporate information that is conducive to cooperative relations with all stakeholders, including shareholders
		  • Promote constructive interaction with shareholders
		• Compliance:
		  • Promote the Global Compliance Program to raise awareness of compliance
		  • Provide compliance training to suppliers

Risk management	Risks • The absence of a strong risk management, can have an impact on the company's business continuity	Internal initiatives • Conduct internal assessment reviews using tools to measure potential risk, visualize the impacts of those risks using actualized data, and formulate and implement recurrence-prevention measures • Build data-driven risk management systems • Build a global solutions network to ensure that overseas risk information is reported to and acted upon by the Head Office promptly
Economic security management	Risks • Given the current global instability and the trend towards stronger regulation of corporate activity in the interests of maintaining economic security, there are risks in the form of impacts on supply chains and markets targeted by companies, together with burdens such as the increased costs of responding to such impacts and financial penalties for companies found to have breached the regulations	Internal initiatives • Bolster business resilience by assessing risks to business continuity from the perspective of economic security and geopolitics, and then reflect those risks in the business continuity plan (BCP) • Strengthen companywide management across all departments for technologies that include important cutting-edge fields • Respond to the economic security countermeasures in each country and region

Digital transformation	Risks
	• Failure to achieve digital transformation risks declines in productivity and delayed responses to the external environment, which can adversely affect our competitiveness
		Internal initiatives
		• Expand data-driven management and operational excellence by promoting the OneFujitsu Program:
		  • Real-time management to support speedy and practical decision-making
		  • End-to-end management resource visualization and conversion to digital data
		  • Global standardization of business processes

Business Impacts

- Failure to maintain a strong management infrastructure and improved management efficiency poses serious risks such as lower productivity and lower levels of social trust. Establishing robust governance structures and introducing effective countermeasures can help to minimize such risks

Societal Impacts

- Failing to maintain a strong management infrastructure and improved management efficiency could also result in losses for customers and suppliers in the business area. Establishing robust governance structures and introducing effective countermeasures can help to minimize these risks

Human Capital: Creating innovation everywhere in society by bringing together agile and versatile people from inside & outside the Company

SDG Icons	FY2025 targets
4 QUALITY EDUCATION / 5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 10 REDUCED INEQUALITIES	• Employee engagement : 75 • The percentage of women in leadership roles: 20%

Materiality	Recognition of risks & opportunities *2	Approaches for FY2025 (main initiatives)

DE&I	Risks
	• Human rights violations and disrespect for or insufficient consideration of diversity in stakeholders such as employees or people in the supply chain poses a wide range of risks, including loss of business opportunities, erosion of social trust in the company following administrative penalties and loss of personnel
		Internal initiatives
		• Diversity:
		  • Build an inclusive and egalitarian corporate culture that makes everyone feel included and free to express themselves
		  • Boost the participation of women in leadership positions
		  • Develop a comprehensive strategy for cultures and ethnicities that operates globally
		  • Introduce the FWEI (Fujitsu Workplace Equality Index)
		  • Promote and advocate for digital accessibility as one corporate strategy, including in-brand communication, customer experience, and the workplace
		  • Ensure supply chain diversity through:
		    • Activities to determine diversity indicators based on the societal requirements in each country or region
		    • Development of mechanisms to determine the support for female participation in key activities in the domestic supply chain and to measure the progress of initiatives by suppliers
		• Human rights: Prevent or reduce human rights risks in the value chain (human rights training, dialog with experts)

Well-being and Human resource development	Risks
	• Failure to create an environment that enables employees to be happy and healthy, both physically and mentally, in their work, or failure to provide opportunities for employees to achieve personal growth, risks losing personnel and eroding the brand value
		Internal initiatives
		• Stronger personnel development platforms: Job-based human resource management, measures to encourage the evolution of employees into DX personnel, etc.
		• Improved well-being:
		  • Develop measures to promote understanding and wider acceptance of well-being
		  • Data-driven visualization and analysis
		• Thorough preventive measures for health and safety

Business Impacts

- Boosting investment in human capital, such as through stronger personnel development platforms and personnel portfolios, can assist in extracting the maximum possible value from personnel and increase sustainable value creation and corporate value

Societal Impacts

- Promoting activities to protect diversity and respect for human rights in the supply chain can help to lessen or avoid DE&I-related supply chain risk

*2 Recognition of risks & opportunities was organized and analyzed based on various publicly available information in Step 1 (Organize and Identify Social Issues) of the materiality assessment process.

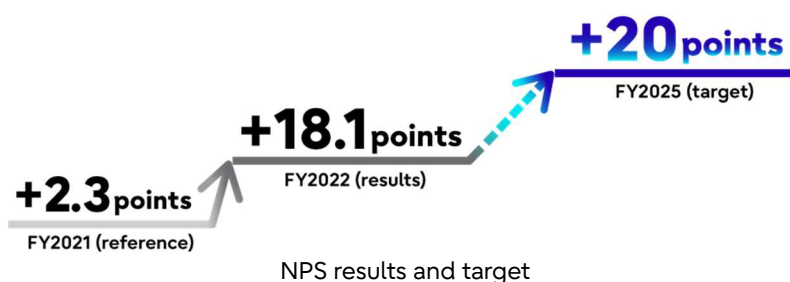# Non-Financial Indicators

Approach

To ensure a stable, long-term contribution to the realization of Our Purpose, it is essential to build trusted relationships with all stakeholders and to pursue sustainable growth. We have therefore incorporated non-financial indicators as part of our core business activities, and we are promoting initiatives to achieve them in tandem with our financial targets. Based on this approach, and to measure the progress of in-house reforms, the Fujitsu Group established three non-financial indicators: the Net Promoter ScoreSM (NPS®) (*1) represents trust from customers; Employee Engagement indicates the relationship between the company and its employees; and the DX Promotion Indices highlight the advances made in the Fujitsu Group's own digital transformation initiatives.

As part of a review of non-financial indicators in May 2023, we determined to continue measuring NPS and Employee Engagement and we added two new indicators. In the area of Diverse Leadership we will track the ratio of women in leadership roles, and as an environmental indicator we are focusing on the Reduction of Greenhouse Gas (GHG) Emissions.

*1 Net Promoter, Net Promoter Score, and NPS are trademarks of NICE Satmetrix, Inc., Bain & Company, Inc. and Fred Reichheld.

Net Promoter ScoreSM (NPS®)

NPS® is an indicator that enables objective evaluation of the relationship of trust with customers, or customer loyalty. Unlike customer satisfaction, which indicates the degree of satisfaction or dissatisfaction with a purchased product or service, customer loyalty is characterized by the ability to determine the degree of customer attachment and the likelihood of repeat purchases. The Fujitsu Group employs customer NPS as one of its non-financial indicators with the aim of realizing customer-centric management. By listening to our customers' views via NPS and offering services that appropriately suit their requirements, or by making proposals that anticipate their future needs, the value of the customer experience will be enhanced and our customer NPS will rise further. We believe that creating such a positive cycle will result in a boost to the corporate value of the Fujitsu Group.

+2.3 points FY2021 (reference)
+18.1 points FY2022 (results)
+20 points FY2025 (target)

NPS results and target

As a structure to achieve this objective, at the working level we have appointed customer experience leaders in each region to take the lead in a timely manner in relation to improvement activities. On the management side, meetings of the CX Steering Board are convened every quarter, headed by the CEO and attended by those responsible for Fujitsu's business operations in all regions. This system ensures that customer issues are reliably resolved at the working level while simultaneously addressing them as management issues. The implementation of a "feedback loop" allows those involved to propose improvement actions, examine areas for investment, and verify the effectiveness of measures already taken.

Given this background, we set a target of 3.7 points in FY2022 based on the improvement result of +2.3 points in FY2021. As a result of our activities, however, we recorded a significant jump of 18.1 points over the previous fiscal year. Specifically, the Fujitsu Group was recognized for providing proposals based on a deep understanding of the customer's business challenges, for our experience in offering digital transformation projects, and for the initiatives undertaken in Fujitsu's own transformation.

At the same time, for the future, we acknowledge the need to focus on consultancy support relevant to our customers' business challenges and on execution capabilities to advance transformation for our customers. Promoting reskilling and digital transformation offering enhancement will elevate the capability of the entire Fujitsu Group to offer comprehensive business support for customers.

Based on the results of the customer survey conducted globally in FY2022, we will continue to improve our strengths in the areas that were highly appraised and focus on areas that require improvement, aiming to boost the score by 20 points until FY2025 as the target of the medium-term management plan.

Employee Engagement

The Fujitsu Group's greatest management resource is its employees, who are the source of the value provided to customers. Our experience suggests that highly engaged employees are better able to provide high-quality services to our customers, and that positive customer feedback correlates to an increase in employees' responsiveness to their work. We believe that improving the engagement of each employee leads to the growth of both the individual and the Fujitsu Group.

Based on this concept, to measure the sustainable growth of the Fujitsu Group we established Employee Engagement as a non-financial indicator that shows the mindset of employees and their empathy with the organizational culture. At Fujitsu, Employee Engagement is defined as "an indicator that shows the degree of employees' motivation and attachment to work and their willingness to contribute independently in empathy with the company's direction and purpose." Employee Engagement can also be considered an indicator that illustrates the Fujitsu Group has the necessary human resources and other capabilities, including organizational culture, to gain the trust of customers as a DX partner.

FY2020 (results)	FY2021 (results)	FY2022 (results)	FY2025 (target)
68	67	69	75
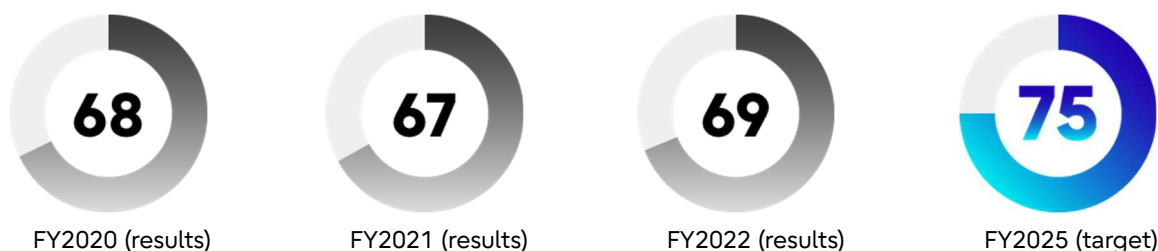
Employee Engagement

The target Employee Engagement value of 75 for FY2022 is a figure that has been determined by benchmarking against global corporations. The actual scores can vary greatly across the Group, because they are impacted by the relevant company's business area, the business environments in different countries and regions, and the diversity of our employees' countries of origin. While it is true that 75 is an ambitious target for the Fujitsu Group, we are nonetheless striving to achieve this goal with the aim of being on par with other global enterprises.
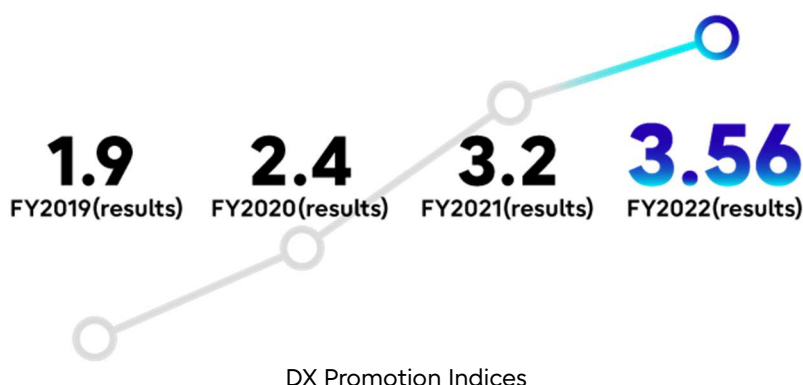
Fujitsu has put in place a structure for global collaboration across all regions to boost engagement. This includes the Center of Excellence, a specialist team dedicated to creating highly engaged organizations, and Human Resource Business Partners, a team of strategic HR partners who are active in every work location. As a specific initiative, we have introduced measures to broaden employees' workstyle options, after clarifying their individual purpose. This includes a semiannual survey conducted on a global basis to measure employee engagement. The objective is to gauge in a timely manner changes in organizational culture, employee workstyles, opinions, and awareness, and to swiftly reflect the outcomes back to management.

Based on the surveys conducted to date, to enhance engagement it is important for senior and middle management to take action together with team members, so this point is being reinforced in every organization. Also, it is crucial that managers and staff develop a strong relationship of trust. Trust is a core feature of the Fujitsu Way and the corporate purpose, and trust is built by discussing a shared vision based on each person's individual purpose and does not flow simply from routine task reporting and discussions. Strong trusted relationships can help to overcome a range of environmental changes and lead to mutual growth for both parties. The surveys include questions to periodically measure these relationships, with the questions leading to mutual opportunities for behavioral change and growth while also serving as a catalyst for initiatives to boost engagement. Non-financial indicators are very effective, and we believe it would be even better if we could incorporate employee engagement data and publish a reference model in the future, based on data analysis, with the aim of improving each of the non-financial indicators.

DX Promotion Indices

To capture the changes that the Fujitsu Group is undergoing on the path to achieving its Purpose, we have specified DX Promotion Indices*2 as one of the non-financial indicators, and we are conducting a maturity diagnosis on our digital transformation (DX) initiatives in a common format across all Group companies globally. By conducting detailed diagnoses for each department, we can gauge the progress of our DX efforts and the outcomes of measures so that they can be linked to future actions. Another objective in specifying these metrics is to accumulate knowledge that can be leveraged when working as a partner on DX projects with customers. By implementing initiatives in line with the DX Promotion Indices and by enhancing the level of DX maturity, we believe the Fujitsu Group can relay to customers through its business activities the insights gained in the process.

*2 Evaluation indicators for digital management reform on a six-point maturity scale, ranging from 0 to 5. There are seven items relating to "Indices for ideal approaches to management for promoting DX and systems" and two items relating to "Indices for development of IT systems as a foundation in achieving DX".

1.9 FY2019(results)   **2.4** FY2020(results)   **3.2** FY2021(results)   **3.56** FY2022(results)

DX Promotion Indices

Fujitsu set a numerical target of 3.5 for the DX Promotion Indices in FY2022 but exceeded that with a result of 3.56. According to the Japanese Ministry of Economy, Trade and Industry's DX Promotion Index, companies scoring an average of 3 or more across all qualitative indicators are classified as being a "Noteworthy DX Company". We consider this to be a recognition that we have reached a leading position among Japan's top DX enterprises and the fact that we are also performing at a global level.

Compared with the results from the diagnoses in FY2021, we recorded improvements in three areas: "mindset and corporate culture", "incorporation into the business" and "IT governance framework". In terms of mindset and corporate culture, initiatives such as our job-based personnel system and Fujitsu Innovation Circuit, a business creation program, are now firmly entrenched throughout the company. Regarding incorporation into the business, we accelerated initiatives including Fujitsu Uvance, service delivery reform, and business process transformation, while the promotion of global integration efforts also led to enhancements. Finally, in the area of our IT governance framework, major improvements were triggered by the consolidation of IT systems under the OneFujitsu Project – including OneERP and OneCRM – which led to greater global standardization.

The DX Promotion Indices are specified on the assumption that each company conducts self-diagnosis. To ensure objectivity in the self-diagnoses undertaken at the end of each fiscal year, as a basis for scoring the Fujitsu Group uses input from all employees (gathered in Group-wide semiannual surveys on opinions regarding change) and incorporates a third-party evaluation by Ridgelinez Limited. The feedback from employees is not used solely as the basis for measuring the DX Promotion Indices but is also shared with executives, department heads, and DX leaders across all departments as part of the Group-wide DX project "Fujitra" (Fujitsu Transformation). The objective is to gauge the progress of the Group overall, as well as in each department, and to use the information when making decisions on the next measures to be taken and on any necessary adjustments to the trajectory of the project.

By implementing a range of measures based on the DX Promotion Indices, we have created a foundation that enables all Group employees to adopt initiatives for reform. Furthermore, we view the recognition by external stakeholders of the Fujitsu Group's transformation to be a major achievement.

New Indices

As part of the Medium-Term Management Plan announced in May 2023, in addition to the existing personnel-related indicator of Employee Engagement we specified a new Diverse Leadership indicator, the ratio of women in leadership roles, as well as an environmental indicator for the Reduction of GHG Emissions.

Diverse Leadership (ratio of women in leadership roles)

The DE&I vision for the Fujitsu Group includes "Build an inclusive and equitable culture where everyone belongs and can be completely themselves." Gender is positioned as one of the five focus areas in the Global DE&I Vision & Inclusion Wheel.

To transition into an enterprise capable of sustainably generating innovations and providing value to customers while meeting the requirements of communities with diversified values, it is essential to create an environment and culture in which a diversity of people can each optimally leverage their different viewpoints and abilities. As a first step toward this objective, we have set the ratio of women in leadership roles as a new non-financial indicator. We based this on the results of research that determined "when the ratio of a minority group in an organization reaches 30% a chain reaction occurs that changes the organizational culture." The target set for the end of FY2030 is to have a 30% ratio of women in leadership roles throughout the Fujitsu Group, with an interim milestone target of 20% by the end of FY2025.

In addition to achieving the goals described above, to create an environment and culture in which a diversity of people can each optimally leverage their different viewpoints and abilities, we will encourage various initiatives, such as mindset transformation, positive action, and the promotion of Work Life Shift to enhance our working environments.

15 FY2022(results) **20** FY2025(target) **30** FY2030(target)

Ratio of women in leadership roles
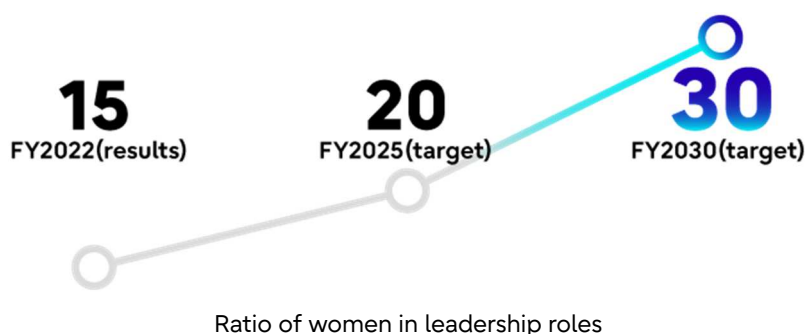
Reduction of GHG Emissions

The Paris Agreement (COP21), adopted in December 2015, set out a long-term, shared worldwide goal of limiting the average global temperature increase to considerably less than 2℃ and preferably 1.5℃ over pre-Industrial Revolution temperatures, as well as the goal of carbon neutrality (net zero emissions) by the second half of this century. Subsequently, following a review of climate change impacts (loss, damage, etc.) based on the latest scientific knowledge, it was declared at the COP26 Glasgow Agreement that the preferred 1.5℃ target would now become the actual target and that the world must aim to achieve net zero by mid-century (around 2050). These rapid changes led the Fujitsu Group to announce a target of net zero for GHG emissions in its supply chain by FY2040, with an interim target of net zero for GHG emissions in Fujitsu's own business areas by FY2030. To help achieve these objectives, we released the Environmental Action Plan (Stage XI). This plan runs up to FY2025, a milestone on the path to the targets, and will give shape to our specific initiatives as we work toward the realization of carbon neutrality.

50% reduction

Fujitsu Group - Scope 1,2*
*Adjusted for business
acquisitions and divestitures

12.5% reduction

Fujitsu Group - Scope 3*
*Category 11 CO_2 emissions due to
product power consumption only

GHG emissions FY2025 target (compared to FY2020)

As a leading SX company, Fujitsu has a role to play in applying technology to help solve challenges for customers and society while expanding and enhancing the value provided as we collaborate with customers and partners to achieve a sustainable future. It is therefore essential to confirm the global trends and the actions taken in regard to climate change challenges, because a delayed response could lead to a loss of business opportunities. Against this backdrop, we consider the reduction of GHG emissions to be a critical issue and are working on it as one of our non-financial indicators.

Intellectual Property (IP) Strategy to Support Fujitsu's Purpose

Policy (IP Management and Corporate Value)

Fujitsu's Purpose is to make the world more sustainable by building trust in society through innovation. To achieve this, the aim of our intellectual property management policy is to contribute to innovation and new value creation in the Fujitsu Group by strategically building and utilizing intellectual capital, including our technology, our brand and our designs.

Intellectual property management has two facets. One is the construction of an intellectual property portfolio by acquiring the rights for the intellectual capital already held by the Fujitsu Group and then using that portfolio to create new value. The other facet is risk management, which consists of lowering the incidence of risks likely to diminish our corporate or social value, primarily through measures that promote respect for and prevent violations of our rights and those of third parties.

Contributing to Value Creation

We are progressing and appropriately managing the acquisition of the rights to the technology developed by the Fujitsu Group and to the designs and brands created to deploy that technology in the community. This expands our opportunities for generating licensing income, better differentiates our offerings from the technologies and services provided by competitors and maintains or enhances the competitive advantage of Fujitsu Group technologies and services.

We are also assisting with the search for new growth opportunities by investigating, analyzing and sharing information on a wide range of global technology trends, including the status of patent applications in strategically important areas for the Fujitsu Group. Open Source Software (OSS) is an indispensable resource for digital services, and Fujitsu is an active participant in the OSS community, help

ing to create environments that promote innovation and build a value co-creation ecosystem by formulating rules for the use of intellectual property.

Reducing the Risk of Value Loss

One important way to reduce the risk of losing corporate value by protecting intellectual property. Third party violations of rights held by the Fujitsu Group not only obstruct the progress of our business strategy, they also have the potential to negatively impact customers' trust in the Fujitsu brand in a competitive environment. For this reason, we constantly monitor for violations of our rights, and where a proposal is discovered that could potentially cause a rights violation, we immediately put in place appropriate countermeasures.

Fujitsu's Code of Conduct which, together with our Purpose and Values makes up the Fujitsu Way, clearly states our commitment to respecting and protecting intellectual property and respecting the intellectual property rights of others, just as they respect our own acquisition of rights to intellectual capital. We are formulating Rules for Handling Intellectual Property Rights that link this Code of Conduct to specific actions, and these rules are being applied to Fujitsu and Group companies in Japan that undertake actions involving intellectual property. We are also working to reduce the risks of violating rights held by third parties through measures such as thoroughly researching patent violation avoidance, careful OSS license management, and responding to in-house consultation requests concerning the terms of intellectual property agreements.

> ❯ Fujitsu's Intellectual Property

Structure of the Intellectual Property Division

The Intellectual Property Division (the Intellectual Property Global Head Office), which belongs to the Legal and Intellectual Property Unit under the General Counsel, consists of the IP Intelligence Service Office, which supports research laboratories and provides IP landscapes to the front office, the Intellectual Property Strategy Office, which formulates and promotes company-wide intellectual property strategies based on communication with management, and the Intellectual Property Center, which implements intellectual property portfolio construction. In addition to collaborating within the division, we also work with the Legal and Intellectual Business Promotion Center, which is affiliated with the Global Business Legal Department and promotes intellectual property activities for business producers and SEs, and Fujitsu Techno Research Ltd., which provides intellectual property-related services, to execute intellectual property management.

The formulation of IP management strategy and policy for the activities of the Intellectual Property Division is not limited solely to the Division itself, but is undertaken in collaboration with the Technology Units headed by the Chief Technology Officer (CTO) and Chief Portfolio Officer (CPO) and with the responsible IP strategy managers within the Business Units. In this way, IP management is integrated with our broader management strategy and business portfolio strategy. In addition, at meetings of the Independent Directors & Auditors Council, which includes external directors and auditors, the Head of the Legal and Intellectual Property Unit reports on the strategy and progress of intellectual property management and provides opportunities for discussion with management.

Group-wide Global Collaboration

Fujitsu has developed an intellectual property governance structure to make the best possible use of its intellectual capital throughout the Fujitsu Group. This ensures that IP-related activities undertaken by Group companies in Japan are integrated. Where a company undertakes independent IP activities as a partial exception, a reporting line is set up and the activity is conducted through close collaboration. Globally, including the utilization of the reporting line, regular meetings are held involving regional IP managers in Europe, India, China, Australia and the United States. Additionally, through intellectual property support for research facilities established in another 8 countries around the world to ensure that all IP management conforms to the realities of global business.

Collaboration with Technology and Business Portfolios

Fujitsu's stated purpose is: "To make the world more sustainable by building trust in society through innovation", and our key strategies have sustainability as their starting point. One of the key strategies for the Intellectual Property Division is its Technology strategy, which is to enhance its core technologies with AI as the focus. Taking a structured approach to progressing Fujitsu's IP activities in collaboration with our Technology and Business Portfolio strategies helps to maintain and strengthen the Fujitsu Group's competitive advantage and acquire new business opportunities. IP activities go far beyond merely exercising our IP rights to generate licensing income. Our focus is on growing our customer base and strengthening our negotiating position by highlighting the Fujitsu Group's technological strengths and the superiority of its offerings, and by distinguishing our own offerings from those of our competitors. We achieve this through activities such as

discovering patents at the development stage and acquiring the rights for those patents, and then highlighting those patents during business negotiations.
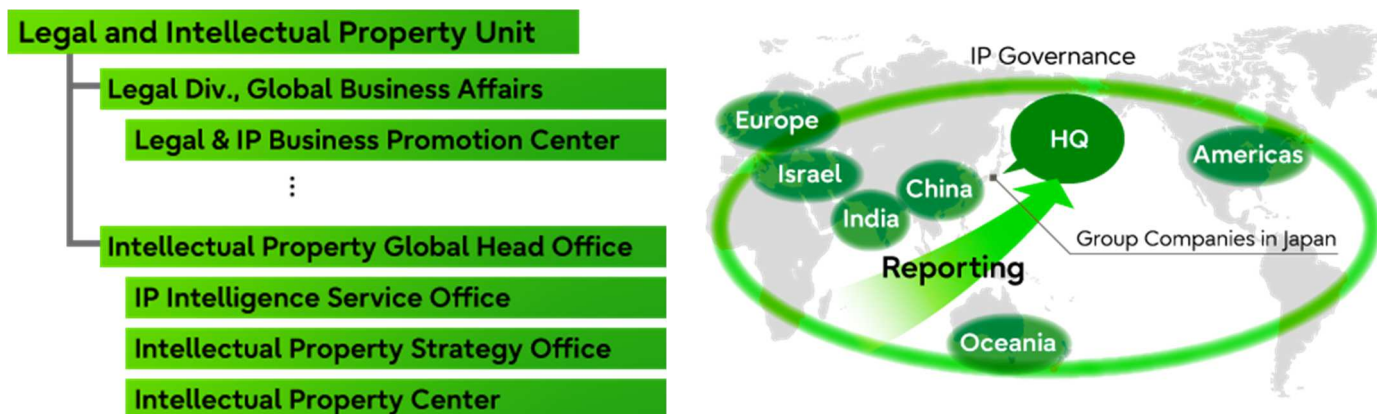
In Japan, activities of the Intellectual Property Division are carried out together with those Group companies engaged in IP activities. There are some exceptions, in which the Intellectual Property Division establishes reporting lines to, and implements closely coordinated activities with, certain companies that conduct IP activities independently.

The Division has also established global reporting lines with regional intellectual property managers (IP CoE) in Europe, China, Australia and the United States, and holds regular meetings to ensure that all IP activities conform to the realities of global business.

Initiatives

Fujitsu's purpose is: "To make the world more sustainable by building trust in society through innovation", and we pursue our key strategies with sustainability as the starting point, as set out in the Medium-Term Management Plan released in May 2023. In terms of investment in intellectual property, Fujitsu is building an IP portfolio intended to create added value in our services business and is enhancing AI-centered technologies as part of our Technology strategy, one of our key strategies. We are also engaged in leveraging IP for co-creation, including collaboration to help achieve the SDGs under the FUJITSU Technology Licensing Program™ for SDGs. The Company is also engaged in using OSS, international standardization and rulemaking to establish social rules that engender trust and confidence in deploying Fujitsu's advanced technologies, and strategic initiatives to support the Key Focus Areas from a brand and design perspective.

The following section highlights case studies of open innovation involving key technologies where particular emphasis is placed on building an IP portfolio, as well as case studies of IP activities aimed at solving societal challenges, case studies of open innovation where IP is used for co-creation, and case studies of international standardization and rulemaking that address the creation of social rules that can be used globally.

Open Innovation Cases Studies

Computing: Digital Annealer (Co-creation with MELCO Investments)

Deploying the Digital Annealer architecture in stock portfolio optimization calculations

Having developed Digital Annealer (DA) as a quantum-inspired architecture dedicated to solving combinatorial optimization problems at high speed, Fujitsu is applying for numerous patents, primarily for the core technology. The Company has been conducting trials and co-creation with clients based on differentiated technologies that are supported by patents. In the area of investment in equities managed by MELCO Investments, DA was successfully used to generate portfolios comprising combinations of stocks with the lowest risk. As a result, MELCO Investments began using DA to manage financial assets in some areas of its actual portfolio management operations in January 2022.

Conventional approaches to performing optimization calculations to determine the optimal portfolio from several hundred stocks were highly impractical because they required massive computing power and a lot of time. Using Fujitsu's DA, it is now possible to perform this task in about 10 minutes. This has enabled MELCO

Investments to use analytical results, based on more accurate calculations, in their actual asset management operations.

> MELCO Investments: How Digital Annealer is Pushing the Boundaries of Financial Services
> Pushing the Boundaries of Financial Services with Digital Annealer

Networking: IOWN (Strategic Business Alliance with NTT)
Joint R&D to develop next-generation 6G network technology

NTT Corporation and Fujitsu forged a strategic business alliance in April 2021 to engage in joint R&D activities toward the "realization of a sustainable digital society." The innovation created through this alliance is designed to contribute to achieving the vision of a new low-energy, high-efficiency digital society through global, open collaboration with a wide range of partners who support the Innovative Optical and Wireless Network (IOWN) initiative.

Through this alliance, the two companies aim to conduct joint research in fields where both can leverage their strengths, backed by communications technologies such as the world's most advanced optical technologies for which NTT and Fujitsu combined hold the largest number of patents worldwide. With their operational expertise, plus Fujitsu's world-leading computing technologies, the companies aim to fulfill their shared vision through global, open innovation that leverages the results of their research.

> NTT and Fujitsu Embark on Strategic Alliance to Drive "Realization of Sustainable Digital Society"

AI: Joint Development with Subaru
Employing AI modeling to deliver quality assurance in manufacturing

Subaru Corporation and Fujitsu have been co-creating through PoCs, development, and trials since 2019, using high-precision AI modeling to deliver quality assurance in the engine component (camshaft) grinding process. As part of this collaboration, the two companies created and commercialized the industry's first AI invention to implement automated quality inspection and prediction of engine parts, and jointly applied for patents. In addition, the two companies developed and verified the "FUJITSU Manufacturing Industry Solution COLMINA Production Line Quality AI Operation and Management Package", which provides management support for the AI model in anticipation of mass production operations. The system became fully operational in February 2022. As a result, quality assurance during engine component grinding was achieved with high precision and in real time. The AI model continues to operate at an efficient level, maintaining AI model quality on an ongoing basis. Furthermore, Subaru established an AI platform to improve the level of quality assurance using real-time data throughout its Gunma Manufacturing Division, including at the Oizumi Plant.

> High-precision AI Model Providing Quality Assurance in Engine Part Machining Processes Begins Full-Time Operation on SUBARU Production Lines

Solving Societal Challenges: Ontenna – a Wearable User Interface that Turns Sound into Vibration

A mixed-IP strategy to support solutions to societal challenges

Ontenna is a radically new user-interface device that can be worn on the hair, earlobe, collar, cuff, etc., enabling the wearer to pick up tonal characteristics through vibration and light. It was developed in collaboration with the Deaf and the hard-of-hearing to enable a future that they can enjoy together with the hearing.

Ontenna is characterized by a gently rounded shape that does not feel unpleasant as it can be worn like a hairpin. Fujitsu has applied for and registered design patents for the main body, the battery charger, and the controller that can control multiple Ontenna devices, and has also registered the shape of the main body as a 3D trademark.   Fujitsu has also applied for and registered patents for Ontenna's charging method and communication system, using a mixed-IP strategy to protect the main body and peripheral devices.

Ontenna was awarded the "Imperial Invention Prize" in the 2022 National Commendation for its design patent.   It has also won several other awards including the 2019 Good Design Award "Gold Prize," the IAUD International Design Award "Grand Prize,"

Ontenna worn in the hair and on the collar

and the Local Invention Award from the Commissioner of the Japan Patent Office, earning high acclaim from both inside and outside of Fujitsu.

> ❯ [Ontenna -- Using Rights Protection Activities in a Mixed-IP Strategy/Turning Sound into Vibration to Enable Sound to be Appreciated by All](#)
> ❯ [Ontenna](#)
> ❯ [Imperial Invention Prize Awarded to the Design for a Wearable Device Design That Senses Sound as Vibration or Light](#)

Co-creation: FUJITSU Technology Licensing Program™ for SDGs (Haloworld)

Co-creative development of 3D Scanner "BeTHERE"

Fujitsu is promoting the brand FUJITSU Technology Licensing Program™ for SDGs, an initiative that encourages companies and academic institutions to use the Group's intellectual property including patents and know-how as a key means of contributing to SDGs to make the world more sustainable through innovation. Fujitsu engages in collaboration via WIPO GREEN (an online platform for the exchange of environmentally friendly technologies) and IP matching programs at the national and local government levels, at financial institutions, and at universities. This contributes to the social diffusion of Fujitsu technologies to help advance a resolution to COVID-19, to conserve the environment, and to revitalize Japan's regional economies.

One case study of IP matching is the development of the BeTHERE 3D Scanner, commercialized after robotics startup Haloworld was given a demonstration of Fujitsu's patented 3D digitizing technology prototype in 2019. This led to collaboration and the licensing of the patent to Haloworld.

BeTHERE is a 3D scanner that can capture 360-degree images at a chosen location and check the captured data on the spot. It performs texture mapping to map the captured images to 3D point cloud data where distances can be determined. With mass production in mind, Haloworld received the license to the technology for integrating (aligning) 3D point cloud data recorded multiple times from different locations. The company also upgraded the user interface to enhance operability and made additional improvements, such as dustproofing and drip-proofing, as well as improving the measurement accuracy by applying the latest LiDAR (Light Detection and Ranging) sensor to measure the distance to an object.

[3D scanner "BeTHERE"]

Data & Security: Rulemaking Activities to Promote Take-up of Japanese Electronic Seals

Developmental and industry activities for electronic seals that enable secure and smooth transactions involving digital documents

Between April and September 2022, Fujitsu, Teikoku Databank, Ltd and several other companies conducted a demonstration test for the social implementation of the Japanese version of electronic seal (e-seal). An e-seal is a mechanism for guaranteeing the legitimacy of the issuing organization when documents are exchanged digitally, and e-seal has been specified in "Guidelines for e-seals" issued by the Ministry of Internal Affairs and Communications (MIC).

By linking Fujitsu's "Fujitsu Computing as a Service Data e-TRUST" service and Teikoku Databank's knowledge of corporate identity certification, we confirmed the usefulness of e-seal in actual business operations such as digital document exchange between companies. We then published a report with recommendations on standards and systems derived from them.

The Japan Digital Trust Forum (JDTF) to which both Fujitsu and Teikoku Databank are members are engaged in making rules and building mechanisms that will help in achieving trust in data (digital trust). This includes helping with research into e-seal systems as well as broader investigations looking at requirements for the wider use of e-seals, both technologically and operationally, and then publishing those findings as instruction manuals.

To build a society in which transactions involving all digital documents are conducted both securely and smoothly, Fujitsu is working to promote the broader adoption of e-seal through rulemaking activities, including proposals with partner companies and cooperation activities within industry associations.

> [Secure social data distribution. Teikoku Databank and Fujitsu's Challenge to Promote e-seals](#)
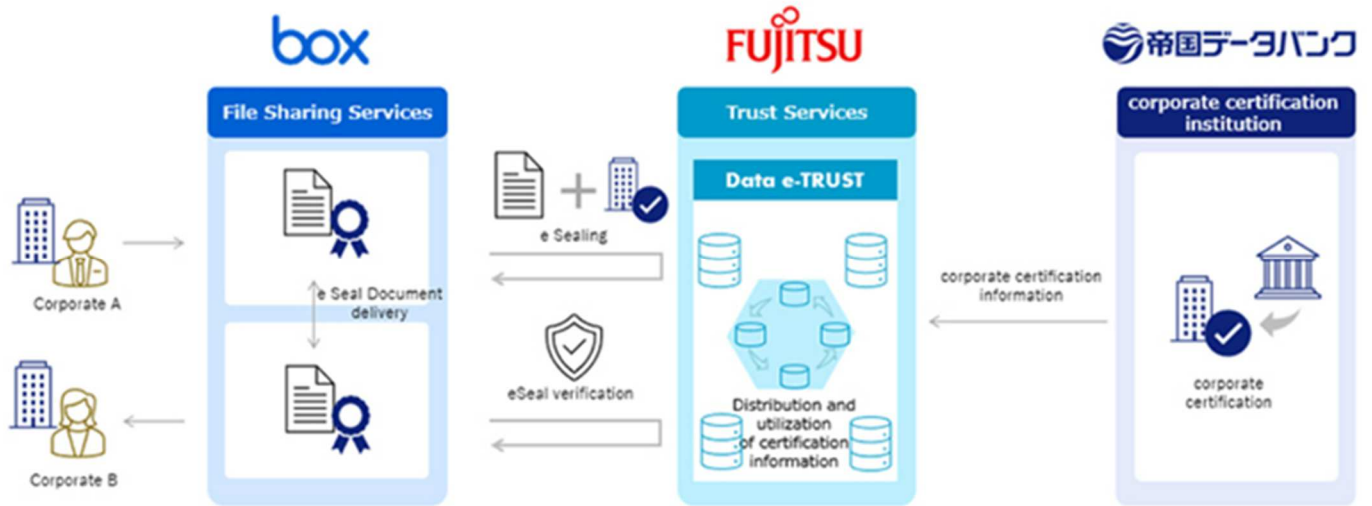
Service model image used in demonstration test